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DOLLARAMA REPORTS STRONG SECOND QUARTER RESULTS AND ANNOUNCES A TWO-FOR-ONE SHARE SPLIT

MONTREAL, Quebec, September 11, 2014 – Dollarama Inc. (TSX: DOL) ("Dollarama" or the "Corporation") today reported an increase in sales, net earnings and net earnings per share for the second quarter ended August 3, 2014.

Financial and Operating Highlights

All comparative figures below and in the "Financial Results" section that follows are for the second quarter ended August 3, 2014 compared to the second quarter ended August 4, 2013. All financial information presented in this press release has been prepared in accordance with generally accepted accounting principles in Canada ("GAAP") as set out in the CPA Canada Handbook – Accounting under Part I which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Throughout this press release, EBITDA, total debt and net debt, which are referred to as "non-GAAP measures", are used to provide a better understanding of the Corporation's financial results. For a full explanation of the Corporation's use of non-GAAP measures, please refer to footnote 1 of the "Selected Quarterly Consolidated Financial Information" section of this press release.

Throughout this press release, all references to "Fiscal 2014" are to the Corporation's fiscal year ended February 2, 2014 and to "Fiscal 2015" are to the Corporation's fiscal year ending February 1, 2015.

Compared to the Second Quarter of Fiscal 2014

- Sales increased by 12.0 % to $572.6 million;
- Comparable store sales(2) grew 4.2%, over and above 6.2% the previous year;
- Gross margin(3) was 36.1% of sales compared to 36.6% of sales;
- EBITDA(1) grew 13.5% to $108.6 million, or 19.0% of sales compared to 18.7% of sales;
- Operating income grew 17.5% to $99.2 million, or 17.3% of sales compared to 16.5% of sales; and
- Diluted net earnings per common share increased by 25.6%, from $0.82 to $1.03.

In addition, 18 net new stores were opened during the second quarter of Fiscal 2015 compared to 22 net new stores opened during the corresponding period of the previous fiscal year.

"The progress we are making in our financial results is directly attributable to our continued focus on organic growth in the Canadian market with the opening of 89 net new stores over the past twelve months and our objective of improving the operational effectiveness and efficiency of our business. With the opening of 43 net new stores so far in Fiscal 2015, we are on target to expand our store network across Canada by 70 to 80 net new stores this year," stated Larry Rossy, Chief Executive Officer and Chairman of Dollarama.

Financial Results

Sales for the second quarter ended August 3, 2014 increased by 12.0% to $572.6 million, compared to $511.3 million in the corresponding period of the prior fiscal year. The increase in sales was driven by the growth in the number of stores over the past twelve months, from 828 stores on August 4, 2013 to 917 stores on August 3, 2014, and continued organic sales growth driven by comparable store sales growth of 4.2%, over and above comparable store sales growth of 6.2% in the second quarter of Fiscal 2014.

Comparable store sales growth for the second quarter ended August 3, 2014 consisted of a 3.1% increase in the average transaction size and a 1.1% increase in the number of transactions.

In this quarter, 67.0% of our sales originated from products priced higher than $1.00 compared to 61.7% in the corresponding quarter last year. Debit card penetration also increased, as 42.7% of sales were paid with debit cards compared to 40.6% in the corresponding period of the previous fiscal year.

The gross margin was 36.1% of sales in the second quarter ended August 3, 2014, compared to 36.6% of sales in the second quarter ended August 4, 2013. This decrease is mainly attributable to slightly lower product margins, as the Corporation absorbs some of the product cost increases in order to continue to provide merchandise at compelling value to its customers. Overall, gross margin remains in line with management's expectations as the Corporation continues to strive to maintain a compelling product offering for its customers. The Corporation continually reinvests in the value proposition offered to its customers and is targeting a margin in the range of 36% to 37% for Fiscal 2015 in order to stimulate continued sales growth.

Selling, general and administration expenses ("SG&A") for the second quarter ended August 3, 2014 was $98.0 million, a 7.0% increase over $91.6 million for the second quarter ended August 4, 2013. This increase is primarily related to the continued growth in the total number of stores.

SG&A for the second quarter ended August 3, 2014 represented 17.1% of sales, an improvement of 0.8% compared to 17.9% of sales for the second quarter ended August 4, 2013. The reduction in SG&A as a percentage of sales is mainly the result of store labour productivity improvements implemented over the past year. However, as previously disclosed, the Province of Ontario implemented a 7.3% minimum wage increase, effective June 1, 2014, which partially offset productivity gains in the second quarter ended August 3, 2014.

The depreciation and amortization expense decreased by $2.0 million, from $11.3 million for the second quarter ended August 4, 2013 to $9.3 million for the second quarter ended August 3, 2014 as a result of a change in the estimated useful life of leasehold improvements and store and warehouse equipment.

Net financing costs increased by $2.8 million, from $2.3 million for the second quarter ended August 4, 2013 to $5.1 million for the second quarter ended August 3, 2014, mainly as a result of increased borrowings on long-term debt.

For the second quarter ended August 3, 2014, net earnings increased to $68.9 million, or $1.03 per diluted common share, compared to $59.8 million, or $0.82 per diluted common share, for the corresponding period of Fiscal 2014.

Quarterly Cash Dividend

On September 11, 2014, the board of directors of the Corporation (the "Board of Directors") announced that it had approved a quarterly cash dividend for holders of its common shares of $0.16 per common share. The Corporation's quarterly cash dividend will be paid on November 4, 2014 to shareholders of record at the close of business on October 2, 2014 and is designated as an "eligible dividend" for Canadian tax purposes.

2-For-1 Share Split by Way of Share Dividend

On September 11, 2014, the Board of Directors also announced that it had approved a share dividend of one common share for each issued and outstanding common share of the Corporation, which has the same effect as a two-for-one share split of the Corporation's outstanding common shares. The Corporation's share dividend on the common shares will be paid on November 17, 2014 to shareholders of record at the close of business on November 10, 2014 and is designated as an "eligible dividend" for Canadian tax purposes.

Shareholders do not need to take any action in order to receive this share dividend. Computershare Investor Services Inc., the Corporation's transfer agent, will send to registered shareholders a notice under the direct registration system indicating the number of additional common shares that they receive as a result of the share dividend. These additional common shares will be held in book entry form and registered electronically in the transfer agent's recordkeeping system, unless a physical share certificate is requested by the registered shareholder. Beneficial owners of common shares held through a brokerage account will have their accounts automatically updated to reflect the share dividend.

The Toronto Stock Exchange ("TSX") has determined to implement due bill trading in connection with the share dividend. A due bill is an entitlement attached to listed securities undergoing a material corporate action, such as a share split. In this instance, anyone purchasing a common share of the Corporation during the period commencing on November 6, 2014, being two trading days before the record date, and ending on November 17, 2014, being the payment date, inclusively, shall receive a right to receive the share dividend, provided that person still holds the common shares on the payment date. Any trades that are executed on the TSX during that period will be flagged to ensure purchasers receive the entitlement to the share dividend. The common shares will commence trading on an ex-dividend basis (on a split basis) on November 18, 2014. The due bill redemption date will be November 20, 2014.

For Canadian income tax purposes, the aggregate amount of the share dividend is nominal. Accordingly, there will be no Canadian income tax payable by the shareholders with respect to the share dividend. For more information, shareholders and beneficial owners should consult their own tax advisor. Also, the share dividend will not dilute shareholders' equity. All share and per share data for future periods will reflect the share dividend. In addition, the Corporation's equity-based compensation plan as well as the Corporation's current common share repurchase program will be adjusted to reflect the share split.

Normal Course Issuer Bids

Since the inception of the 2013-2014 normal course issuer bid (the "2013-2014 NCIB") in June 2013 and through the second quarter of ended August 3, 2014, a total of 6,664,688 common shares have been repurchased for cancellation thereunder, at a weighted average price of $82.96 per common share, for a total cash consideration of $552.9 million.

On June 12, 2014, the Corporation renewed its normal course issuer bid (the "2014-2015 NCIB") to repurchase for cancellation up to 2,341,929 common shares (representing 3.5% of the common shares issued and outstanding as at June 11, 2014) during the 12-month period from June 17, 2014 to June 16, 2015.

During the second quarter ended August 3, 2014, a total of 1,394,040 common shares were repurchased for cancellation under both the 2013-2014 NCIB and the 2014-2015 NCIB, at a weighted average price of $91.04 per common share, for a total cash consideration of $126.9 million. Of this number, 1,154,040 common shares were repurchased for cancellation under the 2013-2014 NCIB, at a weighted average price of $91.72 per common share, for a total cash consideration of $105.9 million and 240,000 common shares were repurchased for cancellation under the 2014-2015 NCIB, at a weighted average price of $87.76 per common share, for a total cash consideration of $21.1 million.

About Dollarama

Dollarama is Canada's leading dollar store operator with 917 locations across the country. Our stores provide customers with compelling value in convenient locations, including metropolitan areas, mid-sized cities and small towns. Dollarama aims to provide customers with a consistent shopping experience, offering a broad assortment of everyday consumer products, general merchandise and seasonal items. Our quality merchandise is sold in individual or multiple units at select fixed price points up to $3.00.

Forward-Looking Statements

Certain statements in this press release about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements are based on information currently available to us and on estimates and assumptions made by us regarding, among other things, general economic conditions and the competitive environment within the retail industry in Canada, in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, but not limited to, the following factors, which are discussed in greater detail in the "Risks and Uncertainties" section of the Corporation's management's discussion and analysis for Fiscal 2014 (available on SEDAR at www.sedar.com): future increases in operating and merchandise costs, inability to sustain assortment and replenishment of merchandise, increase in the cost or a disruption in the flow of imported goods, disruption of distribution infrastructure, inventory shrinkage, inability to renew store, warehouse, distribution center and head office leases on favourable terms, inability to increase warehouse and distribution center capacity in a timely manner, seasonality, failure to maintain brand image and reputation, market acceptance of private brands, failure to protect trademarks and other proprietary rights, foreign exchange rate fluctuations, potential losses associated with using derivative financial instruments, level of indebtedness and inability to generate sufficient cash to service debt, changes in creditworthiness and credit rating and the potential increase in the cost of capital, interest rate risk associated with variable rate indebtedness, competition in the retail industry, current economic conditions, failure to attract and retain quality employees, departure of senior executives, disruption in information technology systems, inability to protect systems against cyber attacks, unsuccessful execution of the growth strategy, holding company structure, adverse weather, natural disasters and geo-political events, unexpected costs associated with current insurance programs, litigation, product liability claims and product recalls, and regulatory and environmental compliance.

These factors are not intended to represent a complete list of the factors that could affect us; however, they should be considered carefully. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Corporation's financial performance and may not be appropriate for other purposes; readers should not place undue reliance on forward-looking statements made herein. Furthermore, unless otherwise stated, the forward-looking statements contained in this press release are made as at September 11, 2014 and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

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Selected Quarterly Consolidated Financial Information

(dollars and shares in thousands, except per share amounts)	13-Week Periods Ended		26-Week Periods Ended	
	August 3, 2014	**August 4, 2013**	**August 3, 2014**	**August 4, 2013**
	$	**$**	**$**	**$**
Earnings Data				
Sales	572,603	511,322	1,073,744	959,442
Cost of sales	366,037	324,036	689,683	611,482
Gross profit	206,566	187,286	384,061	347,960
SG&A	97,984	91,611	189,279	176,017
Depreciation and amortization	9,346	11,290	18,131	22,519
Operating income	99,236	84,385	176,651	149,424
Net financing costs	5,093	2,297	9,578	4,610
Earnings before income taxes	94,143	82,088	167,073	144,814
Provision for income taxes	25,247	22,319	44,953	39,400
Net earnings	68,896	59,769	122,120	105,414
Basic net earnings per common share	$1.03	$0.82	$1.81	$1.45
Diluted net earnings per common share	$1.03	$0.82	$1.80	$1.44
Weighted average number of common shares outstanding during the period:				
Basic	66,719	72,718	67,540	72,910
Diluted	66,984	72,903	67,795	73,097
Other Data				
Year-over-year sales growth	12.0%	16.0%	11.9%	14.4%
Comparable store sales growth (2)	4.2%	6.2%	3.8%	5.0%
Gross margin (3)	36.1%	36.6%	35.8%	36.3%
SG&A as a % of sales (3)	17.1%	17.9%	17.6%	18.3%
EBITDA (1)	108,582	95,675	194,782	171,943
Operating margin (3)	17.3%	16.5%	16.5%	15.6%
Capital expenditures	17,099	29,902	36,420	49,952
Number of stores (4)	917	828	917	828
Average store size (gross square feet) (4)	9,928	9,927	9,928	9,927
Declared dividends per common share	$0.16	$0.14	$0.32	$0.28

	As at	
	August 3, 2014	**February 2, 2014**
	$	**$**
Statement of Financial Position Data		
Cash and cash equivalents	27,985	71,470
Merchandise inventories	369,791	364,680
Property and equipment	266,362	250,612
Total assets	1,540,860	1,566,780
Total non-current liabilities	726,489	537,793
Total debt	588,673	403,017
Net debt	560,688	331,547

(1) In this press release, EBITDA, EBITDA margin, total debt and net debt are referred to as “non-GAAP measures”. Non-GAAP measures are not generally accepted measures under GAAP and do not have a standardized meaning

under GAAP. EBITDA, EBITDA margin, total debt and net debt are reconciled below. The non-GAAP measures, as calculated by the Corporation, may not be comparable to those of other issuers and should be considered as a supplement to, not a substitute for, or superior to, the comparable measures calculated in accordance with GAAP.

We have included non-GAAP measures to provide investors with supplemental measures of our operating and financial performance. We believe that non-GAAP measures are important supplemental metrics of operating and financial performance because they eliminate items that have less bearing on our operating and financial performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on GAAP measures. We also believe that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers, many of which present non-GAAP measures when reporting their results. Our management also uses non-GAAP measures in order to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets, and to assess our ability to meet our future debt service, capital expenditure and working capital requirements.

	13-Week Periods Ended		**26-Week Periods Ended**	
(dollars in thousands)	**August 3, 2014 $**	**August 4, 2013 $**	**August 3, 2014 $**	**August 4, 2013 $**
A reconciliation of operating income to				
Operating income	99,236	84,385	176,651	149,424
Add: Depreciation and amortization	9,346	11,290	18,131	22,519
EBITDA	108,582	95,675	194,782	171,943
EBITDA margin (3)	*19.0%*	*18.7%*	*18.1%*	*17.9%*

	As at	
(dollars in thousands)	**August 3, 2014 $**	**February 2, 2014 $**
A reconciliation of long-term debt to total debt is included below:		
Senior unsecured notes bearing interest at a variable rate equal to 3 month bankers' acceptance rate (CDOR) plus 54 basis point payable quarterly, maturing May 16, 2017	150,000	-
Senior unsecured notes bearing interest at a fixed annual rate of 3.095% payable in equal semi-annual instalments, maturing November 5, 2018	400,000	400,000
Unsecured revolving credit facility maturing December 14, 2018	35,000	-
Accrued interest as current portion of long-term debt	3,673	3,017
Total debt	**588,673**	**403,017**
A reconciliation of total debt to net debt is included below:		
Total debt	588,673	403,017
Cash and cash equivalents	(27,985)	(71,470)
Net debt	**560,688**	**331,547**

(2) Comparable store sales growth is a measure of the percentage increase or decrease, as applicable, of the sales of stores, including relocated and expanded stores, open for at least 13 complete fiscal months relative to the same period in the prior year.

(3) Gross margin represents gross profit divided by sales. SG&A as a % of sales represents SG&A divided by sales. Operating margin represents operating income divided by sales. EBITDA margin represents EBITDA divided by sales.

(4) At the end of the period.